PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUES **BOND ANTICIPATION NOTES**

In the opinion of Barclay Damon LLP, Albany, New York, Bond Counsel, under existing law (1) interest on the Notes is excluded from the gross income of the owners thereof for federal income tax purposes and is not an "item of tax preference" for purposes of the individual alternative minimum taxes imposed by the Internal Revenue Code of 1986, as amended (the "Code"), except that the School District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to federal income taxation from the date of issuance thereof, and (2) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See the caption "TAX MATTERS" herein.

The Notes will be designated as or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$5,240,000
GRANVILLE CENTRAL SCHOOL DISTRICT
WASHINGTON COUNTY, NEW YORK

$5,000,000 Bond Anticipation Notes, 2020 Series A
(the "Series A Notes")

Dated: June 18, 2020 **Due: June 18, 2021**

$240,000 Bond Anticipation Notes, 2020 Series B
(the "Series B Notes")

Dated: June 18, 2020 **Due: June 18, 2021**

(collectively referred to herein as the "Notes")

The Notes are general obligations of the Granville Central School District (the "District" or "School District"), Washington County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. The faith and credit of the Granville Central School District are irrevocably pledged for the payment of the Notes and the interest thereon. See "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity. At the option of the Purchaser(s), the Notes will be issued in book-entry-only form or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued in book-entry-only, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the Notes purchased. Such Notes will be issued in denominations of $5,000 or integral multiples thereof as may be determined by such successful bidder(s). If the Notes are issued in book-entry-only form, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinions as to the validity of the Notes of Barclay Damon LLP, Bond Counsel, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon on or about June 18, 2020.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on May 27, 2020 by no later than 10:30 A.M., Eastern Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the School District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notices of Sale.

May 22, 2020

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "MATERIAL EVENT NOTICES" HEREIN.

GRANVILLE CENTRAL SCHOOL DISTRICT
WASHINGTON COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2019-2020 BOARD OF EDUCATION

AUDREY HICKS
President

DANIEL NELSON
Vice President

PATRICIA AUNCHMAN
PHILIP A. BERKE
MOLLY CELANI
SHIRLEY KUNEN
SUZANNE MCEACHRON
SUSAN M. PERRY
EDWARD VLADYKA

* * * * * * * * * * *

ADMINISTRATION

THOMAS MCGURL
Superintendent of Schools

CATHERINE SOMICH
Business Manager

ASHLEE ZINN
District Clerk

FISCAL ADVISORS & MARKETING, INC.
School District Financial Advisors

BARCLAY DAMON LLP
Bond Counsel

No person has been authorized by the Granville Central School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Granville Central School District.

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
http://www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

GRANVILLE CENTRAL SCHOOL DISTRICT
WASHINGTON COUNTY, NEW YORK

Relating To

$5,000,000 Bond Anticipation Notes, 2020 Series A
And
$240,0000 Bond Anticipation Notes, 2020 Series B

This Official Statement, which includes the cover page, has been prepared by the Granville Central School District, Washington County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $5,000,0000 Bond Anticipation Notes, 2020 Series A (the "Series A Notes") and $240,000 Bond Anticipation Notes, 2020 Series B (the "Series B Notes") (collectively referred to herein as the "Notes").

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

THE NOTES

Nature of the Obligation

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law" or "Chapter 97"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District's power to increase its annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX INFORMATION - Tax Levy Limitation Law" herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

> "A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean. So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "TAX LEVY LIMITATION LAW" herein.

The Notes are dated June 18, 2020 and mature, without option of prior redemption, on June 18, 2021. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) registered form registered in the name of the purchaser, in denominations of $5,000 each or multiples thereof as may be determined by the successful bidder(s) or (ii) at the option of the purchaser(s), in book-entry-only form, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purposes of Issue

Series A Notes

On May 21, 2019, the qualified voters of the District approved a proposition authorizing the District to finance the construction of additions to and the reconstruction of various District buildings at a maximum estimated cost of $15,950,781, with such cost being funded with $2,000,000 from the District's existing General Capital Reserve Fund and the balance of such cost, not in excess of $13,950,781, through the issuance of the District's serial bonds. The Series A Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on July 1, 2019. The proceeds of the Series A Notes will provide $5,000,000 of new monies for the aforementioned purpose.

Series B Notes

On February 9, 2016, the qualified voters of the District approved a proposition authorizing the District to finance the reconstruction of parking lots, repainting chimney's at various District buildings, acquire and install IP phones and acquire and install netting on the baseball field at a maximum estimated cost of $1,50,000, with such cost being funded through the issuance of the District's serial bonds. The Series B Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on March 14, 2016. The proceeds of the Series B Notes, along with $210,000 in available funds of the District, will redeem $450,000 bond anticipation notes maturing June 19, 2020 for the aforementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for one or both Series of the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note of each series bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com and www.dtc.org**.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued or in the event that a purchaser elects to have the Notes registered in the name of the purchaser, the following provisions will apply:

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable, at the option of the purchaser(s) at the offices of the School District or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York. Paying Agent fees, if any, shall be the responsibility of the purchaser. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The Granville Central School Districtis located on the eastern border of Washington County in the northeastern section of New York State. The eastern boundary of Washington County is the New York-Vermont border, part of which is Lake Champlain. The District is located within the Village of Granville, with the exception of Mary J. Tanner Elementary School, which is located within the Town of Granville. The Village of Granville, located within the Town of Granville, has a total area of 1.6 square miles. The Town of Granville has a total area of 56.1 square miles. The City of Glens Falls is located approximately 20 miles to the southwest, and the City of Albany is located approximately 60 miles to the southwest.

Major highways serving the District include New York State Routes #22 and #149. Interstate 87, which runs from New York City to the Canadian Border, passes approximately 22 miles to the west. The New York State Thruway, which serves the City of Albany and cities westward, passes approximately 55 miles to the southwest.

Fire protection is provided by Granville's Fire Department, encompassing three companies with a volunteer staff of approximately 65 active members, along with an additional 7 companies in outlying areas. The majority of the fire companies' costs are covered by funds from the town and fund-raising events. The Granville Police Department is a paid force with headquarters on Quaker Street in the Village of Granville. Outside the Village area, residents depend on the State Police with barracks in North Granville and the Washington County Sheriff's Department. Granville Family Health and Community Health Mettowee Family Health Centers provide the area with medical and emergency care treatment.

Source: District officials.

COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States, has been declared a pandemic by the World Health Organization on March 11, 2020. The outbreak of the disease has affected education, travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The School District has been communicating with the New York State Education Department and with local and State level department of health agencies. The School District has been following all relevant guidance as it has been released by State and federal agencies. The School District is closed effective March 16, 2020 through the end of the 2019-20 academic year. Pursuant to Executive Order, the annual meeting of School District voters to approve the School District's 2020-21 budget and to elect Board of Education members has been delayed until June 9, 2020. Voting will be by absentee ballot and there will be no in-person voting. The State has publicly announced that COVID-19 will have a significant negative impact on the State's revenues and 2020-21 budget. It is difficult at this time to predict with any certainty whether the negative impact on the State's revenues and 2020-21 budget will result in a delay and/or a reduction in State aid payment to school districts, including the School District. Any delay or reduction in State aid payment to the School District would have a negative impact on the School District's finances.

Population

The current estimated population of the District is 7,090. (Source: 2018 U.S. Census Bureau estimate)

Larger Employers

Name	Type	Employees
Granville Central School District	Education	250
Telescope Casual Furniture, Inc	Manufacturing	230
Saint-Gobain Performance Plastics	Manufacturing	185
Granville Center for Rehabilitation & Nursing	Nursing Home Adult Care	145
Slate Valley Center for Rehab & Nursing	Nursing Home Adult Care	130

Source: District officials.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the Village, Towns and County listed below. The figures set below with respect to such Village, Towns and County are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Village, Towns or the County are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2014-2018	2000	2006-2010	2014-2018
Village of:						
Granville	$ 15,424	$ 19,121	$ 23,046	$ 38,444	$ 51,875	$ 56,719
Towns of:						
Granville	16,335	19,956	24,957	39,486	51,307	55,386
Hampton	17,433	21,934	32,341	46,250	60,083	65,804
Hebron	18,113	25,592	25,737	41,680	61,797	64,881
Whitehall	16,831	20,121	21,161	43,590	50,278	57,727
County of:						
Washington	17,958	22,347	27,156	43,500	57,360	65,182
State of:						
New York	23,389	30,948	37,470	51,691	67,405	80,419

Note: 2015-2019 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2014-2018 American Community Survey data.

Unemployment Rate Statistics

Unemployment statistics are not available for the School District as such. The smallest area for which such statistics are available (which includes the School District) is the County of Washington. The information set forth below with respect to the County is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County is necessarily representative of the School District, or vice versa.

Annual Average

	2013	2014	2015	2016	2017	2018	2019
Washington County	7.5%	6.1%	5.0%	4.6%	4.6%	4.2%	4.1%
New York State	7.7%	6.3%	5.3%	4.9%	4.7%	4.1%	4.0%

2019-20 Monthly Figures

	2019								2020			
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Washington County	3.5%	3.5%	3.6%	3.6%	3.4%	3.5%	3.8%	4.5%	5.1%	4.8%	5.1%	N/A
New York State	3.6%	3.8%	4.2%	4.1%	3.6%	3.7%	3.6%	3.7%	4.1%	3.9%	4.4%	N/A

Note: Unemployment rates for April 2020 are not available as of the date of this Official Statement. Unemployment rates for April 2020 and for the foreseeable future are expected to increase substantially over prior periods as a result of the COVID-19 pandemic.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of nine members with overlapping three-year terms so that as nearly as possible, an equal number is elected to the Board each year. Each Board member must be a qualified voter of the District and no Board member may hold certain other District offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the District for the ensuing fiscal year (tentative budget) and distributes that statement not less than fourteen days prior to the date on which the District's annual meeting is conducted, at which time such tentative budget is voted upon. Notice of the annual meeting is published as required by statute with a first publication not less than forty-five days prior to the day of such meeting. If the qualified voters at the annual meeting approve the tentative budget, the Board of Education, by resolution, adopts it as the budget of the District for the ensuing fiscal year.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "Tax Cap") plus exclusions, then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the District to exceed the Tax Cap also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see "TAX LEVY LIMITATION LAW" herein.

Recent Budget Vote Results

The budget for the 2019-20 fiscal year was approved by the qualified voters on May 21, 2019 by a vote of 260 Yes to 65 No. The adopted budget included a total tax levy increase of 0%, which was below the District's Tax Cap of 1.22%.

The proposed budget for the 2020-21 fiscal year calls for a tax levy increase of 0% which is below the District's maximum allowable tax levy increase of 1.026% for the 2020-2021 fiscal year.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

The District as of July 2018 entered into an agreement with NYCLASS for investment of funds for the purpose of generating higher interest rates than what could be offered from banking institutions. NYCLASS is a short term highly liquid investment fund designed specifically for the public sector. Participation is available to any municipal corporation or special purpose district empowered under New York State statute including cities, towns, villages, school districts, boards of cooperative educational services, fire districts and counties outside New York. NYCLASS is subject to the terms of the October 20, 1999 CLASS Municipal Cooperation Agreement and is structured in accordance with New York State General Municipal Law (GML) Article 3-A and Article 5-G Sections 119-n and 0, and Chapter 623 of the Laws of 1998. All NYCLASS investment and custodial policies are in accordance with GML and Sections 10 and 11. NYCLASS invests in public sector funds in securities legally permitted under New York law with an emphasis on safety. With safety as a primary objective, NYCLASS has earned S&P Global Ratings of "AAAm" the highest money market rating. The custodian for all NYCLASS cash and securities is Wells Fargo Bank. The District continues to bank with banking institutions for all its banking needs

The District does not invest in so-called "derivatives" including reverse purchase agreements, which are not authorized investments for municipalities and school districts in the State.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2019-20 fiscal year, approximately 67.6% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See also "MARKET AND RISK FACTORS").

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

According to the four year financial plan released by the State on May 8, 2020, as a result of the COVID-19 pandemic, State spending will be significantly reduced. Such reductions will include reductions to "aid to localities" which includes State aid to school districts, including the School District. See "State Aid -School District Fiscal Year (2020-2021)".

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2020-21 preliminary building aid ratios, the District expects to receive State building aid of approximately 88.6% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

State aid history:

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School District Fiscal Year (2016-2017): The State 2016-17 Enacted Budget included a school aid increase of $991 million over 2015-16, $863 million of which consisted of traditional operating aid. In addition to full funding of expense based aids ($408 million), the budget also included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

School District Fiscal Year (2017-2018): The State 2017-18 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School District Fiscal Year (2018-2019): The State 2018-19 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at $26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19. The State 2018-19 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

School District Fiscal Year (2019-2020): The State 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increases the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

State Aid - School District Fiscal Year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget is 3.7 percent lower than in the State's 2019-2020 Enacted Budget but is offset in part with increased Federal support. This reduction in State Operating Funds support will be offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency

Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid totals $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4 percent.

The State's 2020-2021 Enacted Budget continues prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provides over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income.

Provisions in the State's 2020-2021 Enacted Budget grant the Budget Director the authority to reduce "aid-to-localities" appropriations and disbursements by any amount needed to achieve a balanced budget, as estimated by the New York State Division of the Budget. Aid-to-localities is a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and the State's not-for-profit partners. In addition, the Budget Director is authorized to withhold and reduce specific local aid payments during the fiscal year. The State's Enacted Budget is deemed out of balance for the fiscal year, and the Budget Director's powers are activated, if actual tax receipts are less than 99 percent of estimated tax receipts, or actual disbursements are more than 101 percent of estimated disbursements, as measured at three points during the year (April 1-30, May 1-June 30, and July 1-December 31). The State's 2020-2021 Enacted Budget is premised on the assumption that the Budget Director's powers will be activated and across-the-board and targeted reductions to local aid programs will be taken to close a substantial portion of the State fiscal year 2021 budget gap caused by the receipts shortfall. Due principally to the COVID-19 pandemic, reduced receipts are expected through State fiscal year 2024. According to the four year financial plan released by the State on May 8, 2020, as a result of the COVID_19 pandemic, State spending will be significantly reduced. Such reductions will include reductions to "aid to localities" which includes State aid to school districts, including the School District. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

As described above the amount of State aid to school districts is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 fiscal year, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. Although the State's 2019-2020 Enacted Budget was adopted on March 31, 2019 and the State's 2018-2019 Enacted Budget was adopted on March 30, 2018, both in advance of the April 1 deadline, the State's 2017-2018 Enacted Budget was adopted on April 9, 2017, a delay of approximately 8 days, and the State's 2020-21 Enacted Budget was adopted on April 2, 2020, a one-day delay. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

The State receives a substantial amount of Federal aid for health care, education, transportation and other governmental purposes, as well as Federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this Federal aid may be subject to change under the Federal administration and Congress. Current Federal aid projections, and the assumptions on which they rely, are subject to revision because of changes in Federal policy and the impacts of the COVID-19 pandemic.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the Federal administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that $1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The Campaign for Fiscal Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive $5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years, budgeted figures for the 2019-20 fiscal year and the 2020-21 fiscal year comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2014-2015	$ 25,210,415	$ 16,420,330	65.13%
2015-2016	26,064,917	17,157,432	65.83
2016-2017	25,686,093	16,897,941	65.79
2017-2018	26,361,596	17,481,924	66.32
2018-2019	26,597,325	17,322,960	65.13
2019-2020 (Budgeted)	26,682,511	18,027,254	67.56
2020-2021 (Proposed)	24,550,000	15,925,860	64.87

Source: 2015 through 2019 audited financial statements, 2019-20 adopted budget and 2020-21 projected figures of the District. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built / Additions / Reconstruction
Mary J. Tanner Elementary School	K-3	356	1961
Granville Elementary School	4-6	738	1961
Junior / Senior High School	7-12	1,075	1929

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2015-2016	1,115	2020-2021	1,012
2016-2017	1,112	2021-2022	1,010
2017-2018	1,074	2022-2023	1,010
2018-2019	1,077	2023-2024	1,010
2019-2020	1,022	2024-2025	1,020

Source: District officials.

Employees

The District employs approximately 242 full time and part-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates are as follows:

# of Employees	Union	Contract Expiration Date
122	Granville Teachers Association	June 30, 2019 (1)
114	Support Staff Association	June 30, 2020 (2)
6	School Administrators Association of NY	June 30, 2021

(1) In mediation.
(2) Currently under negotiation.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2019-2020 fiscal year and estimated figures for the 2020-2021 fiscal year are as follows:

Fiscal Year	ERS	TRS
2014-2015	$ 249,479	$ 1,418,693
2015-2016	256,598	1,109,908
2016-2017	260,027	995,941
2017-2018	257,780	852,220
2018-2019	272,026	908,296
2019-2020 (Budgeted)	329,129	751,649
2020-2021 (Proposed)	311,919	837,145

Source: District records.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District currently does not have any early retirement incentive programs for its employees.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS rates as a percent of payroll (2015-16 to 2020-21) is shown below:

Fiscal Year	ERS	TRS
2015-16	18.2%	13.26%
2016-17	15.5	11.72
2017-18	15.3	9.80
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53*

* Estimated. The final rate is expected to be adopted by the New York State Teachers' Retirement System Board at its July 29, 2020 meeting.

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established such reserve fund as of August 12, 2019.

Retirement System Assumptions. The investment of monies and assumptions underlying same, of the Retirement Systems covering the School District's employees is not subject to the direction of the School District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the School District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

While the School District is aware of the potential negative impact on its budget and will take the appropriate steps to budget accordingly for the increase, there can be no assurance that its financial position will not be negatively impacted.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

Under GASB 75, an actuarial valuation will be required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

The District contracted with an Bouchey, Millet and Schafer, Benefit Consulting LLC to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2018 and 2019.

The following outlines the changes to the Total OPEB Liability during the 2018 and 2019 fiscal years, by source.

Balance beginning at:	June 30, 2017	June 30, 2018
	$ 38,349,408	$ 36,310,625
Changes for the year:		
Service cost	1,780,522	1,780,522
Interest on total OPEB liability	1,102,255	1,326,333
Changes in Benefit Terms	-	(7,246,219)
Differences between expected and actual experience	-	18,578,324
Changes in Assumptions or other inputs	(3,793,419)	(67,640)
Benefit payments	(1,128,141)	(716,523)
Net Changes	$ (2,038,783)	$ 13,654,797
Balance ending at:	June 30, 2018	June 30, 2019
	$ 36,310,625	**$ 49,965,422**

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability see "APPENDIX - C" attached hereto.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved $0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in past legislative sessions. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced or enacted if introduced.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are to be issued is the Education Law and the Local Finance Law.

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

This Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2019 and has been filed with the Electronic Municipal Market Access ("EMMA") website. It is also attached hereto as "APPENDIX – C" to this Official Statement. Certain financial information of the School District can also be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

Unaudited Estimated Results for the Fiscal Year End June 30, 2020

The District anticipates a surplus at the end of fiscal year ending June 30, 2020 of approximately $800,000. The surplus is due to the receipt of additional revenues for a refund of expenditures in prior years from BOCES, additional interest income, tuition and Medicaid revenues. The District's audited financial statements for the fiscal year ending June 30, 2020 are expected to be available in October 2020.

Note: These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released a report of the District on July 15, 2016. The purpose of the audit was to assess the District's oversight of financial operations for the period July 1, 2011 through December 31, 2015.

Key Findings:

- The District's unrestricted fund balance exceeded the statutory limit by more than $4 million each year.

Key Recommendations:

- Ensure that the amount of the unrestricted fund balance is in compliance with statutory limits and the District's fund balance policy and reduce the excess amount in a manner than benefits District residents.

The District provided a complete response to the State Comptroller's office on June 3, 2016. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

The corrective action plan will reduce the amount of unrestricted fund balance in a manner that benefits District residents. Such uses could include, but are not limited to 1) Using surplus funds as a financing source, 2) funding one -time expenditures, 3) funding needed reserves, and 4) reducing District property taxes. The District is funding reserves, funding one- time expenditures and not increasing the tax levy. As of June 30, 2018, the unassigned fund balance for District was $6,239,429 or 24.08% of the 2018-19 approved budget. As of June 30, 2019, the unassigned fund balance for District was $5,937,173 or 22.25% of the 2019-20 approved budget.

There are no State Comptroller audits of the District that are currently in progress or pending release at this time.

Note: Reference to website implies no warranty of accuracy of information therein.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible Fiscal Stress" or "No Designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "No Designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the 2014 through 2018 fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2018	No Designation	0.0%
2017	No Designation	0.0%
2016	No Designation	0.0%
2015	No Designation	6.7%
2014	No Designation	6.7%

The Fiscal Score for fiscal year ending June 30, 2019 has not been calculated as of the date of this Official Statement

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020
Towns of:					
Granville	$ 324,042,630	$ 323,719,394	$ 324,658,472	$ 326,686,642	$ 326,064,588
Hampton	44,153,463	44,403,047	44,761,149	45,024,195	45,827,163
Hebro	59,861,949	59,831,148	59,691,748	59,216,138	59,483,469
Whitehall	587,245	587,604	588,038	588,254	592,268
Total Assessed Values	$ 428,645,287	$ 428,541,193	$ 429,699,407	$ 431,515,229	$ 431,967,488
State Equalization Rates					
Towns of:					
Granville	100.00%	100.00%	100.00%	100.00%	100.00%
Hampton	100.00%	100.00%	100.00%	98.00%	94.75%
Hebro	100.00%	100.00%	100.00%	100.00%	97.00%
Whitehall	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	$ 428,645,287	$ 428,541,193	$ 429,699,407	$ 432,434,090	$ 436,346,419

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020
Towns of:					
Granville	$ 16.50	$ 16.51	$ 16.46	$ 16.35	$ 16.21
Hampton	16.50	16.51	16.46	16.69	17.11
Hebro	16.50	16.51	16.46	16.35	16.71
Whitehall	16.50	16.51	16.46	16.35	16.21

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020
Total Tax Levy	$ 7,076,119	$ 7,076,119	$ 7,076,119	$ 7,076,119	$ 7,076,119
Amount Uncollected (1)	592,455	657,170	686,573	540,668	556,934
% Uncollected	8.37%	9.29%	9.70%	7.64%	7.87%

(1) The District receives 100% of its tax levy each year. See "Tax Collection Procedures" herein.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or before November 15th, uncollected taxes are returnable to County of Washington for collection. The District receives this amount from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years and budgeted figures for the 2019-20 fiscal year and proposed figures for the 2020-21 fiscal year comprised of Real Property Taxes.

Fiscal Year	Total Revenues	Total Real Property Taxes and Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2014-2015	$ 25,210,415	$ 7,039,850	27.92%
2015-2016	26,064,917	7,115,383	27.30
2016-2017	25,686,093	7,097,731	27.63
2017-2018	26,361,596	7,094,990	26.91
2018-2019	26,597,325	7,094,141	26.67
2019-2020 (Budgeted)	26,682,511	7,093,119	26.58
2020-2021 (Proposed)	24,550,000	7,093,119	28.89

Source: 2015 through 2019 audited financial statements, 2019-20 adopted budget and 2020-21 projected figures of the District. This table is not audited.

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Ten Largest Taxpayers - 2019 Assessment Roll for 2019-20 District Tax Roll

Name	Type	Taxable Full Valuation
New York State Electric &Gas	Utility	$ 11,172,477
Schuyler-Granville Partners	Commercial	6,429,820
IR Real Estate Assoc	Health Services	4,570,700
Granville SNF Realty	Health Services	3,260,000
Telescope Casual Furniture	Industrial	2,951,000
Norton Performance Plastics	Industrial	2,821,500
Burdkidz LLC	Commercial	1,970,700
87 Quaker Street LP	Commercial	1,551,400
Laing Hill Land Co LLC	Horse Farm	1,531,713
National Grid	Utility	1,239,003

The ten larger taxpayers listed above have a total full valuation of $37,498,313, which represents 8.68% of the tax base of the District.

The District is in receipt of one potential tax certiorari filing with regard to a notice of petition to file on behalf of the Hallmark Nursing Home/Granville SNF Realty vs Town of Granville. At this time, proceedings are not complete against the Town of Granville, Village of Granville or Granville Central School District. Hallmark Nursing Home is challenging its assessment and is requesting a reduction in assessed value from $3,260,000 to $900,000. The reduction will be challenged by the District's legal counsel. The District's legal counsel had not received any updates on this potential tax certiorari filing as of the date of this Official Statement.

Source: District Tax Rolls.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School Districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities ("STAR Adjusted Gross Income") of $86,300 or less for 2019 benefits and $88,050 or less for 2020 benefits, increased annually according to a Cost-of-Living adjustment, are eligible for an "enhanced" exemption. Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A new homeowner may receive a new personal income tax credit in the form of a check. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to $250,000, compared with a $500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of $250,000 or less have the option to select the credit or the exemption.

The below table lists the basic and enhanced exemption amounts that will apply to the 2019-20 school district tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Granville	$ 69,800	$ 30,000	4/10/2020
Hampton	66,140	28,430	4/10/2020
Hebron	69,800	30,000	4/10/2020
Whitehall	69,800	30,000	4/10/2020

$1,099,603 of the District's $7,071,196 school tax levy for 2018-19 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2019.

$1,052,059 of the District's $7,073,042 school tax levy for 2019-20 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2020.

Additional Tax Information

Real property located in the District is assessed by the Towns.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural-20%, Residential-55% and Commercial-25%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $2,800 including County, Town, School District and Fire District Taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020; however, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, applicable to the Notes.

See "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which includes a challenge to the supermajority requirements regarding school district property tax increases.

Reductions in federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is authorized and utilized, no installment maybe more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds.

Debt Limit. The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

(1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations

and an action contesting such validity is commenced within twenty days after the date of such publication or,

(3) Such obligations are authorized in violation of the provisions of the Constitution.

It is a procedure that is recommended by bond counsel but is not legally required.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2015	2016	2017	2018	2019
Bonds	$ 15,495,000	$ 12,890,000	$ 10,845,000	$ 8,720,000	$ 7,365,000
Bond Anticipation Notes	250,000	700,000	920,000	720,000	450,000
Other Debt	0	0	0	0	0
Total Debt Outstanding	$ 15,745,000	$ 13,590,000	$ 11,765,000	$ 9,440,000	$ 7,815,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of May 22, 2020.

Type of Indebtedness	Maturity	Amount
Bonds	2020-2025	$ 6,110,000
Bond Anticipation Notes		
Capital Project	June 19, 2020	450,000 (1)
	Total Indebtedness	$ 6,560,000

(1) To be redeemed with the proceeds of the Series B Notes and $210,000 available funds of the District.

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 22, 2020:

Full Valuation of Taxable Real Property			$ 436,346,419
Debt Limit 10% thereof			43,634,641
Inclusions:			
Bonds	$ 6,110,000		
Principal of the Series A Notes	5,000,000		
Principal of the Series B Notes	240,0000		
Total Inclusions		$ 11,350,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 11,350,000
Net Debt-Contracting Margin			$ 32,284,641
The percent of debt contracting power exhausted is			26.01%

[1] Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2020-2021 Building Aid Ratios, the School District anticipates State building aid of 88.6% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Bonded Debt Service

A schedule of bonded debt service may be found in “APPENDIX – B” to this Official Statement.

Capital Project Plans

On May 21, 2019, District voters approved a $15,950,781 capital project by a majority (290 yes to 35 no). The project will be funded with $13,950,781 serial bonds and $2,000,000 capital reserve funds. The issuance of the Series A Notes represents the first borrowing against said authorization.

On February 9, 2016, District voters approved a $1.5 million capital project. Total project costs came in lower at $1,120,000. Work was completed over the summer in 2016. The District financed the project with bond anticipation notes in the amount of $920,000 and $200,000 of appropriated fund balance. The proceeds of the Series B Notes, less a principal reduction of $210,000, will repay $450,000 bond anticipation notes maturing on June 19, 2020.

There are no other capital project authorized and unissued by the District, nor are any contemplated.

Cash Flow Borrowings

The District has not issued tax or revenue anticipation notes since the 2009-10 fiscal year. The District does not currently anticipate issuing either tax anticipation notes or revenue anticipation notes in the foreseeable future.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. The estimated outstanding indebtedness of such political subdivisions is as follows:

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Washington	12/31/2018	$ 23,855,899	$ 11,630,899	$ 12,225,000	9.10%	$ 1,112,475
Town of:						
Granville	12/31/2018	346,645	-	346,645	94.00%	325,846
Hampton	12/31/2018	-	-	-	66.41%	-
Hebron	12/31/2018	-	-	-	36.87%	-
Whitehall	12/31/2018	-	-	-	0.30%	-
Village of:						
Granville	5/31/2019	5,117,101	3,633,416	1,483,685	100.00%	1,483,685
					Total:	$ 2,922,006

[1] Bonds and bond anticipation notes not adjusted to include subsequent bond sales, if any.
[2] Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2018.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 22, 2020:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 11,350,000	$1,6008.85	2.60%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	14,272,006	2,012.98	3.27

[a] The 2018 estimated population of the District is 7,090. (See "THE SCHOOL DISTRICT - Population" herein.)
[b] The District's full value of taxable real estate for the 2019-20 fiscal year is $436,346,419. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
[c] See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
[d] Estimated net overlapping indebtedness is $2,922,006. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

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SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept for School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. The Notes when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the School District.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt. No principal of or interest on School District indebtedness is past due. The School District has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial condition of the School District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the School District's control. There can be no assurance that adverse events in the State or in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the School District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The School District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE SCHOOL DISTRICT - State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the School District, could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. See "TAX MATTERS" herein.

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid", "State Aid History" and "State Aid -School District Fiscal Year (2020-2021)" herein).

TAX MATTERS

In the opinion of Barclay Damon LLP, Albany, New York, Bond Counsel, under existing law, (1) interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the individual alternative minimum taxes imposed by the Code, except that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to Federal income taxation from the date of issuance thereof, and (2) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Notes from gross income for Federal income tax purposes is dependent, among other things, on compliance with the applicable requirements of the Code that must be met subsequent to the issuance and delivery of the Notes for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Non-compliance with such requirements could cause the interest on the Notes to be included in gross income retroactive to the date of issuance of the Notes. Those requirements include, but are not limited to, provisions that prescribe yield and other limits within which the proceeds of the Notes are to be invested and require, under certain circumstances, that certain investment earnings on the foregoing be rebated on a periodic basis to the Treasury Department of the United States of America. The District will covenant in the Tax Certificates as to Arbitrage and Use of Proceeds and Instructions as to Compliance with Provisions of Section 103(a) of the Code, that, to maintain the exclusion of interest on the Notes from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code, and for no other purpose, the District shall comply with each applicable provision of the Code.

The Tax Increase Prevention and Reconciliation Act of 2005, enacted on May 17, 2006, contains a provision under which interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although the new reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Notes to be subject to backup withholding if such interest is paid to registered owners who either (a) fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner or (b) have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's federal income tax liability provided the required information is furnished to the IRS.

Bond Counsel also has advised that (1) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, the Code provides that such insurance company's deduction for loss is reduced by 15% of the sum of certain items, including interest on the Notes; (2) interest on the Notes earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (3) passive investment income, including interest on the Notes, may be subject to Federal income taxation under section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; (4) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Notes; and (5) under Section 32 (i) of the Code, receipt of investment income, including interest on the Notes, may disqualify the recipient thereof from obtaining the earned income credit.

A Noteholder’s federal, state and local tax liability may otherwise be affected by the ownership or disposition of the Notes. The nature and extent of these other consequences will depend upon the Noteholder’s other items of income or deduction. Bond Counsel has expressed no opinion regarding any such other tax consequences. Each purchaser of the Notes should consult its tax advisor regarding the impact of the foregoing and other provisions of the Code on its individual tax position.

The Notes will be designated or deemed designated by the District as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

The opinion of Bond Counsel set forth above with respect to the Federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code. Tax legislation, administrative actions taken by tax authorities and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law and could affect the market price for, or the marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisers regarding the foregoing matters. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Notes may affect the tax status of interest on the Notes.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Barclay Damon LLP, Bond Counsel, Albany, New York to the effect that the Notes are valid and legally binding obligations of the District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Notes and the interest thereon without limitation as to rate or amount, that interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Such opinion also will state that: (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity; (b) Bond Counsel expresses no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes; and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the District will enter into an Undertaking to Provide Notice of Material Events Certificate, the form, substantially of which, is attached hereto as “APPENDIX – C”.

Historical Compliance

The District is in compliance, in all material respects, within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale upon approval by the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX-C, MATERIAL EVENT NOTICES" herein.)

Standard & Poor's Credit Market Services ("S&P") has assigned their underlying rating of "A" with a stable outlook to the District's outstanding bonds. The rating reflects only the view of S&P and an explanation of the significance of such rating may be obtained from S&P. Any desired explanation of the significance of such rating should be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Barclay Damon LLP, Albany, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District will act as Paying Agent for the Notes. The District's contact information is as follows: Ms. Catherine Somich, Business Manager, 58 Quaker Street, Granville, New York 12832 telephone (518) 642-1051 x 1302, fax (518) 642-2491, email csomich@granvillecsd.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

GRANVILLE CENTRAL SCHOOL DISTRICT

Dated: May 22, 2020

AUDREY HICKS
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019
ASSETS					
Unrestricted Cash	$ 5,269,173	$ 4,778,675	$ 5,142,537	$ 5,622,017	$ 3,410,254
Restricted Cash	164,829	801,065	1,301,668	2,152,655	1,827,765
Temporary Investments	-	-	-	-	4,232,223
Accounts Receivable	442,395	560,099	913,543	287,565	411,986
Due from Other Funds	1,347,696	1,573,487	1,626,525	1,036,026	1,325,809
State and Federal Aid Receivable	1,185,756	1,157,010	335,456	966,661	1,247,852
TOTAL ASSETS	$ 8,409,849	$ 8,870,336	$ 9,319,729	$ 10,064,924	$ 12,455,889
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 303,694	$ 552,142	$ 125,620	$ 62,914	$ 362,471
Accrued Liabilities	-	-	191,981	197,770	247,997
Due to Other Funds	250,463	153,413	197,914	249,997	531,958
Due to Teachers' Retirement System	1,418,693	1,109,908	995,942	852,220	908,296
Due to Employees' Retirement System	57,600	102,788	118,668	131,035	121,457
Bond interest and matured bonds	13,915	13,928	13,942	18,131	18,179
TOTAL LIABILITIES	2,044,365	1,932,179	1,644,067	1,512,067	2,190,358
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	300,914	801,065	1,301,668	2,152,655	4,020,362
Assigned	638,916	311,850	175,763	160,773	307,996
Unassigned	5,425,654	5,825,242	6,198,231	6,239,429	5,937,173
TOTAL FUND EQUITY	6,365,484	6,938,157	7,675,662	8,552,857	10,265,531
TOTAL LIABILITIES and FUND EQUITY	$ 8,409,849	$ 8,870,336	$ 9,319,729	$ 10,064,924	$ 12,455,889

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2015	2016	2017	2018	2019
REVENUES					
Real Property Taxes	$ 5,845,824	$ 5,907,418	$ 5,921,991	$ 5,936,670	$ 5,975,966
Other Real Property Tax Items	1,194,026	1,207,965	1,175,740	1,158,320	1,118,175
Charges for Services	1,032,735	1,191,116	1,026,377	912,715	1,081,874
Use of Money & Property	17,830	10,150	11,034	11,573	121,099
Sale of Property and Compensation for Loss	481	16,062	627	6,976	5,123
Miscellaneous	356,783	307,115	490,962	518,378	434,752
Revenues from State Sources	16,420,330	17,157,432	16,897,941	17,481,924	17,322,960
Revenues from Federal Sources	342,406	267,659	161,421	335,040	537,376
Total Revenues	$ 25,210,415	$ 26,064,917	$ 25,686,093	$ 26,361,596	$ 26,597,325
Other Sources:					
Operating Transfers (in)	-	-	-	-	-
Total Revenues and Other Sources	25,210,415	26,064,917	25,686,093	26,361,596	26,597,325
EXPENDITURES					
General Support	$ 2,359,041	$ 2,357,578	$ 2,346,231	$ 2,467,253	$ 2,701,069
Instruction	12,313,757	12,711,186	12,871,624	13,130,605	12,991,398
Pupil Transportation	765,698	1,222,525	1,059,385	938,930	1,383,594
Community Services	-	-	-	-	-
Employee Benefits	6,073,100	5,895,515	5,867,271	5,769,127	5,784,235
Debt Service	3,504,002	3,163,362	2,464,071	2,461,735	1,885,051
Capital Outlay	-	-	-	363,831	-
Total Expenditures	$ 25,015,598	$ 25,350,166	$ 24,608,582	$ 25,131,481	$ 24,745,347
Other Uses:					
Operating Transfers (out)	153,792	142,078	340,006	352,920	139,304
Total Expenditures and Other Uses	25,169,390	25,492,244	24,948,588	25,484,401	24,884,651
Excess (Deficit) Revenues Over Expenditures	41,025	572,673	737,505	877,195	1,712,674
FUND BALANCE					
Fund Balance - Beginning of Year	6,324,459	6,365,484	6,938,157	7,675,662	8,552,857
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 6,365,484	$ 6,938,157	$ 7,675,662	$ 8,552,857	$ 10,265,531

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2019 Adopted Budget	2019 Final Budget	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
REVENUES					
Real Property Taxes	$ 7,076,119	$ 5,976,516	$ 5,975,966	$ 7,076,119	$ 7,076,119
Other Real Property Tax Items	17,000	1,116,603	1,118,175	17,000	-
Charges for Services	809,625	809,625	1,081,874	623,138	700,741
Use of Money & Property	42,565	42,565	121,099	72,000	
Sale of Property and Compensation for Loss	1,500	1,500	5,123	1,500	-
Miscellaneous	77,716	77,716	434,752	275,500	479,950
Revenues from State Sources	17,320,306	17,320,306	17,322,960	18,027,254	15,355,073
Revenues from Federal Sources	265,000	265,000	537,376	290,000	415,000
Total Revenues	$ 25,609,831	$ 25,609,831	$ 26,597,325	$ 26,382,511	$ 24,026,883
Other Sources:					
Operating Transfers (in)	150,000	150,000	-	-	-
Total Revenues and Other Sources	25,759,831	25,759,831	26,597,325	26,382,511	24,026,883
EXPENDITURES					
General Support	$ 2,604,688	$ 2,827,028	$ 2,701,069	$ 2,705,817	$ 2,701,633
Instruction	13,786,897	13,618,308	12,991,398	14,222,139	13,626,769
Pupil Transportation	1,272,735	1,429,624	1,383,594	1,578,957	1,404,993
Community Services	-	-	-	1,000	-
Employee Benefits	6,265,433	6,004,793	5,784,235	6,306,608	6,376,161
Debt Service	1,625,851	1,895,851	1,885,051	1,822,990	2,026,530
Capital Outlay	-	-	-	-	-
Total Expenditures	$ 25,555,604	$ 25,775,604	$ 24,745,347	$ 26,637,511	$ 26,136,086
Other Uses:					
Operating Transfers (out)	365,000	145,000	139,304	45,000	-
Total Expenditures and Other Uses	25,920,604	25,920,604	24,884,651	26,682,511	26,136,086
Excess (Deficit) Revenues Over Expenditures	(160,773)	(160,773)	1,712,674	(300,000)	(2,109,203)
FUND BALANCE					
Fund Balance - Beginning of Year	160,773	160,773	8,552,857	300,000	2,109,203
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 10,265,531	$ -	$ -

Source: Audited financial report and budget of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2020	$ 1,290,000	$ 232,990	$ 1,522,990
2021	1,325,000	193,870	1,518,870
2022	1,315,000	166,600	1,481,600
2023	1,355,000	118,800	1,473,800
2024	1,415,000	52,850	1,467,850
2025	665,000	13,300	678,300
TOTALS	$ 7,365,000	$ 778,410	$ 8,143,410

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2006 Construction			2016 Refunding of 2011		
	Principal	Interest	Total	Principal	Interest	Total
2020	$ 35,000	$ 2,940	$ 37,940	$ 1,255,000	$ 230,050	$ 1,485,050
2021	35,000	1,470	36,470	1,290,000	192,400	1,482,400
2022	-	-	-	1,315,000	166,600	1,481,600
2023	-	-	-	1,355,000	118,800	1,473,800
2024	-	-	-	1,415,000	52,850	1,467,850
2025	-	-	-	665,000	13,300	678,300
TOTALS	$ 70,000	$ 4,410	$ 74,410	$ 7,295,000	$ 774,000	$ 8,069,000

APPENDIX - C

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the “Rule”), promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, the School District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the securities, unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the securities, or other material events affecting the tax status of the Notes

(g) modifications to rights of security holders, if material

(h) note calls, if material and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the securities

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the School District

(m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material

(o) incurrence of a “financial obligation” (as defined by the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the School District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.

The School District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the School District determines that any such other event is material with respect to the Notes; but the School District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The School District reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the School District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the School District’s obligations under its material event notices undertaking and any failure by the School District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The School District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the School District; provided that the School District agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

GRANVILLE CENTRAL SCHOOL DISTRICT
WASHINGTON COUNTY, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2019

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Preliminary Official Statement.

GRANVILLE CENTRAL SCHOOL DISTRICT

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GRANVILLE CENTRAL SCHOOL DISTRICT

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MARVIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
A History of Shaping Futures

INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Granville Central School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Granville Central School District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Granville Central School District, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A1- A6, budgetary comparison information on pages C1 and C2, schedule of changes in total OPEB liability on page C3, schedules of proportionate share of net pension liability (asset) on page C4 and schedules of district contributions on page C5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Granville Central School District's basic financial statements. The supplemental information on pages D1 – D3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on page F3 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

These supplemental schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Marvin and Company, P.C.

Queensbury, NY
October 15, 2019

GRANVILLE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING JUNE 30, 2019

The following discussion and analysis of the Granville Central School District's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ending June 30, 2019. This discussion and analysis is intended to serve as an introduction to the District's basic financial statements; we encourage readers to consider the information presented here, in conjunction with information provided in the financial statements.

Financial Highlights

- The District's financial status improved during the 2018-2019 school year. Total net position increased by $5,823,189 over the course of the year.
- Overall general fund revenues were $26.6 million, approximately $1.71 million more than expenses.

Overview of the Financial Statements

The District's annual report consists of five parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information, supplemental information and the single audit section. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide statements.

    - The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.

    - *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary and supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

District-wide Statements

The *District-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the assets of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. retirement system liabilities and earned but unused vacation leave).

The District-wide financial statements can be found on pages B1 and B2 of this report.

Fund Financial Statements

A *fund* is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $12.4 million at the close of the most recent fiscal year.

Net position (in thousands of dollars)

Governmental Activities		6/30/19		6/30/18
Current and other assets	$	12,020	$	9,913
Capital assets		42,130		42,990
Net pension asset		904		384
Total assets	$	55,054	$	53,287
Deferred Outflows of Resources	$	22,141	$	7,380
Current liabilities	$	2,247	$	2,104
Long-term liabilities		58,507		46,328
Net pension liability		431		190
Total liabilities	$	61,185	$	48,622
Deferred Inflows of Resources	$	3,613	$	5,471
Net position				
Net investment in capital assets	$	34,293	$	33,551
Restricted		4,064		2,153
Unrestricted		(25,960)		(29,130)
Total net position	$	12,397	$	6,574

The District has earmarked funds for the following purposes:

- *Appropriated fund equity of $300,000.* The District has designated this portion for the subsequent year to reduce the tax levy.

- *Reserve for encumbrances of $7,996.* Net position within the General fund is reserved to pay for commitments at June 30 that will be reappropriated during the subsequent fiscal year.

- *Capital Reserve $3,541,006.* The District has set aside funds to pay for future capital projects.

- *Reserve for Employee Benefit Accrued Liabilities of $77,977.* The District will use these funds to pay accrued employee benefits due upon termination of the employee's service.

- *Reserve for Unemployment Insurance of $76,379.* The District will use this to pay for unemployment claims.

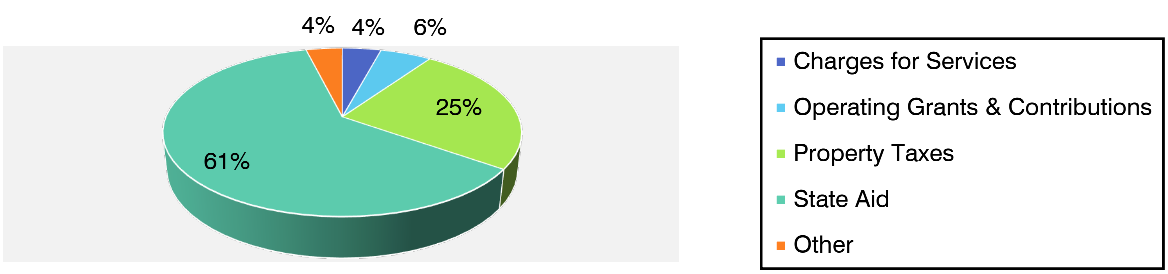
- *Retirement Contribution Reserve of $325,000.* The District will use these funds to pay retirement costs for staff.

GRANVILLE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING JUNE 30, 2019

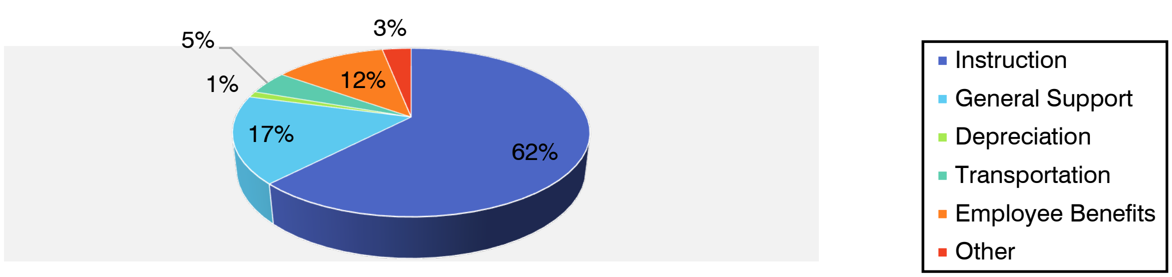
Statement of Activities (in thousands of dollars)

Revenues	2019	2018
Program revenues		
Charges for services	$ 1,179	$ 1,074
Operating grants	1,558	1,363
General revenues		
Property taxes	7,094	5,937
State aid	17,323	17,482
Other	1,102	2,033
Total Revenues	$ 28,256	$ 27,889
Expenses		
Instruction	$ 13,983	$ 13,953
General support	3,778	3,435
Debt service	259	296
Transportation	1,004	925
Employee benefits	2,710	7,821
Other	699	683
Total Expenses	$ 22,433	$ 27,113
Increase (decrease) in net position	$ 5,823	$ 776

Sources of Revenues for Fiscal Year 2019



Expenses for Fiscal Year 2019



Financial Analysis of The District's Funds

As explained earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The General fund is the chief operating fund of the District. At the end of the fiscal year, cash totaled $5.2 million, comprising 42% of total assets for the General Fund. Investments in securities totaled $4.2 million. $2.2 million of this amount is held to fund reserves established by the District with the balance available to pay current liabilities.

General Fund Budgetary Highlights

During the year final revenues were over the revised budgetary estimates by $837 thousand, primarily due to estimated Federal aid, charges for services, and miscellaneous revenue. Expenditures and encumbrances were under revised budgetary estimates by $1 million or 4%, the majority of which was due to instruction and employee benefits.

The district has been appropriating monies for future capital projects, in an effort to reduce burden on tax payers. The district has established a total capital project reserve of $3,541,006 through voter approval of budget votes.

Capital Asset and Debt Administration

Capital Assets

By the end of 2019, the District had invested $42.1 million, net of accumulated depreciation, in a broad range of capital assets, including school buildings. Total depreciation expense for the year was $1.5 million while building improvements and additions to equipment and furniture amounted to $2.9 million.

The following summarizes capital assets, net of accumulated depreciation, at June 30, 2019 and 2018:

	6/30/19	6/30/18
Land	$ 154,491	$ 154,491
Buildings and improvements	39,440,167	40,543,148
Furniture and equipment	2,215,304	1,963,701
Land/site improvements	320,078	328,882
Total Capital Assets, Net of Depreciation	$ 42,130,050	$ 42,990,222

Long Term Debt

At June 30, 2019, the District had $11.7 million in general obligation bonds and other long-term debt outstanding, which increased due to other postemployment benefits. (More detailed information about the District's long-term liabilities is presented in Note 2.B.II. to the financial statements.)

The following summarizes long-term liabilities at June 30, 2019 and 2018:

	6/30/19	6/30/18
Serial Bonds and Installment Debt	$ 7,652,267	$ 8,751,196
Other Postemployment Benefits	49,965,422	36,310,625
Compensated Absences	889,042	886,265
Net Pension Liability, Proportionate Share	430,664	190,021
Total Long-Term Liabilities	$ 58,937,395	$ 46,138,107

Economic Factors and Next Year's Budgets and Rates

At the time these financial statements were prepared the school district was aware of the following existing circumstances which could significantly affect the District's financial position in the future.

The District receives over sixty percent (65%) of revenues from state aid sources and is extremely vulnerable to fluctuations in state support for public education. Although the District is poised to use unassigned fund balance to fund future budgets and control the tax levy, dependency on fund balance is not a long term solution.

The District has been involved in discussions with neighboring Vermont towns concerning legislation imposed by the Vermont State legislature. Act 46 was introduced in Vermont to establish changes in education funding, spending and governance. The Vermont Towns of Wells, West Pawlet and Pawlet have tuitioned students to Granville Junior/Senior High School under Vermont State Education Department legislation that designated Granville as a Junior/Senior High School for those towns. As recently as 2017-2018, Act 46 has removed "designation" and replaced it with "choice" for students living in the Vermont towns to attend Granville Junior Senior High School. It is unknown how Act 46 will impact the number of students who will choose to attend Granville Junior Senior High School in the future with revenues based on tuition agreements with the neighboring Vermont towns.

The District has stayed under the tax cap imposed by the state legislature since 2012 and is in its fourth consecutive year at 0% increase to the levy. Over the last seven years, the overall increase to the tax levy equaled 1%. The District's long range financial plan includes continued emphasis on controlling expenditures and using unassigned fund balance to control future increases to school taxes.

The District has 22% in unappropriated Fund Equity which is in excess of the maximum 4% allowable under Section 1318 of the Real Property Tax Law. The district plans to address this excess by: 1) reducing district property taxes 2) using surplus funds as a financing source 3) funding the Capital Reserve for future building projects and 4) funding one time expenditures.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, contact the Business Office, Granville Central School District, at 58 Quaker Street, Granville, New York 12832.

GRANVILLE CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS

Current Assets:		
Cash	$	3,971,001
Restricted Cash		1,871,673
Temporary Investments		
Investments in Securities		2,039,626
Investments in Securities-Restricted		2,192,597
Accounts Receivable		418,981
State and Federal Aid Receivable		1,506,949
Inventories		19,638
Capital Assets, net		42,130,040
Net Pension Asset, Proportionate Share		903,689
Total Assets		55,054,194
Deferred Outflows of Resources		
Loss on Refunding		265,449
Other Post Employment Benefits		16,662,297
Pensions		5,213,467
Total Deferred Outflows of Resources		22,141,213
Total Assets and Deferred Outflows of Resources	$	77,195,407

LIABILITIES

Current Liabilities:		
Accounts Payable	$	375,858
Accrued Liabilities		271,924
Due to Fiduciary Funds		14,214
Bond Interest Accrued		87,400
Due to Other Governments		26
Due to Teachers' Retirement System		908,296
Due to Employees' Retirement System		121,457
Bond Anticipation Notes		450,000
Bond Interest and Matured Bonds		18,179
Long-Term Liabilities - Due and Payable Within One Year		
Bonds		1,290,000
Long-Term Liabilities - Due and Payable After One Year		
Bonds		6,075,000
Unamortized Bond Premium		287,267
Compensated Absences		889,042
Other Postemployment Benefits Payable		49,965,422
Net Pension Liability, Proportionate Share		430,664
Total Liabilities		61,184,749
Deferred Inflows of Resources		
Other Post Employment Benefits		2,334,029
Pensions		1,279,384
Total Deferred Inflows of Resources		3,613,413

NET POSITION

Net Investment in Capital Assets		34,293,222
Restricted		4,064,270
Unrestricted		(25,960,247)
Total Net Position		12,397,245
Total Liabilities, Deferred Inflows of Resources, and Net Position	$	77,195,407

See accompanying notes to financial statements.

GRANVILLE CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General support	$ 3,778,152	$ -	$ -	$ (3,778,152)
Instruction	13,982,851	1,081,874	1,082,545	(11,818,432)
Pupil transportation	1,003,721	-	-	(1,003,721)
Employee benefits	2,709,731	-	-	(2,709,731)
Debt service	259,071	-	-	(259,071)
Capital outlay	84,103	-	-	(84,103)
School lunch program	614,769	96,891	475,187	(42,691)
Total Functions/Programs	$ 22,432,398	$ 1,178,765	$ 1,557,732	(19,695,901)
GENERAL REVENUES				
Real property taxes				5,975,966
Other tax items				1,118,175
Use of money and property				121,612
Sale of property and compensation for loss				5,123
State sources				17,322,960
Federal sources				537,376
Miscellaneous				437,878
Total General Revenues and Special Items				25,519,090
Change in Net Position				5,823,189
Total Net Position - Beginning of Year				6,574,056
Total Net Position - End of Year				$ 12,397,245

See accompanying notes to financial statements.

GRANVILLE CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Special Aid Fund	School Lunch Fund	Capital Projects Fund	Total Governmental Funds
Assets					
Unrestricted Cash	$ 3,410,254	$ 501,446	$ 59,301	$ -	$ 3,971,001
Restricted Cash	1,827,765	-	-	43,908	1,871,673
Temporary Investments					
Investments in Securities	2,039,626	-	-	-	2,039,626
Investments in Securities-Restricted	2,192,597	-	-	-	2,192,597
State and Federal Receivable, net	1,247,852	222,797	36,300	-	1,506,949
Due From Other Funds	1,325,809	216,456	5,042	115	1,547,422
Accounts Receivable	411,986	-	6,937	58	418,981
Inventories	-	-	19,638	-	19,638
Total Assets	$ 12,455,889	$ 940,699	$ 127,218	$ 44,081	$ 13,567,887
Liabilities					
Accounts Payable	$ 362,471	$ 10,679	$ 2,708	$ -	$ 375,858
Accrued Liabilities	247,997	14,110	9,817	-	271,924
Due to Other Funds	531,958	915,910	113,768	-	1,561,636
Due to Other Governments	-	-	26	-	26
Due to Teachers' Retirement System	908,296	-	-	-	908,296
Due to Employees' Retirement System	121,457	-	-	-	121,457
Bond Anticipation Notes	-	-	-	450,000	450,000
Bond Interest and Matured Bonds	18,179	-	-	-	18,179
Total Liabilities	2,190,358	940,699	126,319	450,000	3,707,376
Fund Equity					
Fund Equity:					
Non-spendable	-	-	19,638	-	19,638
Restricted	4,020,362	-	-	43,908	4,064,270
Committed	-	-	-	-	-
Assigned	307,996	-	-	-	307,996
Unassigned	5,937,173	-	(18,739)	(449,827)	5,468,607
Total Fund Equity	10,265,531	-	899	(405,919)	9,860,511
Total Liabilities and Fund Equity	$ 12,455,889	$ 940,699	$ 127,218	$ 44,081	$ 13,567,887

Amounts reported for governmental activities in the statement of net position are different due to the following:

Total Governmental Fund Equity per above	$ 9,860,511
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	42,130,040
Government funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(21,818)
Accrued interest expense is reported under the accrual basis.	(87,400)
Long-term liabilities, including bonds payable, installment purchase debt, compensated absences and other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(58,219,464)
Net pension asset	903,689
Net pension liability	(430,664)
Deferred inflows of resources - OPEB	(2,334,029)
Deferred outflows of resources - OPEB	16,662,297
Deferred inflows of resources - pensions	(1,279,384)
Deferred outflows of resources - pensions	5,213,467
Net Position of Governmental Activities	$ 12,397,245

GRANVILLE CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General	Special Aid Fund	School Lunch Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Real Property Taxes and Tax Items	$ 7,094,141	$ -	$ -	$ -	$ 7,094,141
Charges for Services	1,081,874	-	-	-	1,081,874
Use of Money and Property	121,099	-	170	343	121,612
Sale of Property and Compensation for Loss	5,123	-	-	-	5,123
Miscellaneous	434,752	-	3,126	-	437,878
State Sources	17,322,960	254,125	12,355	-	17,589,440
Federal Sources	537,376	828,420	462,832	-	1,828,628
Sales	-	-	96,891	-	96,891
Total Revenues	26,597,325	1,082,545	575,374	343	28,255,587
Expenditures					
General Support	2,701,069	-	-	-	2,701,069
Instruction	12,991,398	830,494	-	-	13,821,892
Pupil Transportation	1,383,594	-	-	-	1,383,594
Employee Benefits	5,784,235	280,555	139,531	-	6,204,321
Debt Service	1,885,051	-	-	21,600	1,906,651
Cost of Sales	-	-	475,238	-	475,238
Capital Outlay	-	-	-	82,090	82,090
Total Expenditures	24,745,347	1,111,049	614,769	103,690	26,574,855
Excess (Deficiency) of Revenues Over Expenditures	1,851,978	(28,504)	(39,395)	(103,347)	1,680,732
Other Financing Sources And (Uses)					
Interfund Transfers, net	(139,304)	28,504	-	110,800	-
Bond and BAN Premium	-	-	-	4,856	4,856
BANs Redeemed From Appropriations	-	-	-	270,000	270,000
Total Other Financing Sources (Uses)	(139,304)	28,504	-	385,656	274,856
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	1,712,674	-	(39,395)	282,309	1,955,588
Fund Equity, Beginning of Year	8,552,857	-	40,294	(688,228)	7,904,923
Fund Equity, End of Year	$ 10,265,531	$ -	$ 899	$ (405,919)	$ 9,860,511

See accompanying notes to financial statements.

GRANVILLE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND EQUITY OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net changes in fund equity - total governmental funds			$ 1,955,588
Capital outlays for the purchase of capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their useful lives as depreciation expense in the statement of activities.			
	Depreciation expense	$ (1,514,816)	
	Capital outlays	708,301	(806,515)
The net book value, cost less accumulated depreciation, of capital assets disposed of are removed from the statement of net position. Any gain or loss resulting is recorded in the statement of activities.			(53,667)
Accrued interest expense does not require the expenditure of current resources and is, therefore, not reported as an expenditure in the governmental funds. The decrease in accrued interest decreases expenses in the statement of activities.			8,346
Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			1,625,000
Amortization of bond premium and loss on refunding bonds is an adjustment to interest expense in the statement of activities.			9,378
Bond anticipation notes redeemed from appropriations is revenue in governmental funds, but not in the statement of activities.			(270,000)
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds:			
	Other Postemployment Benefits	$ 3,180,810	
	Compensated Absences	(2,777)	
	Adjustments for TRS pension items	227,710	
	Adjustments for ERS pension items	(50,684)	3,355,059
Change in net position - governmental activities			$ 5,823,189

GRANVILLE CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2019

	Agency	Private Purpose Trusts
ASSETS		
Cash - unrestricted	$ 54,784	$ -
Cash - restricted	57,350	346,629
Other receivables	-	61
Due from other funds	14,300	-
Total Assets	$ 126,434	$ 346,690
LIABILITIES		
Extraclassroom activity balances	$ 57,350	$ -
Due to other funds	86	-
Other liabilities	68,998	-
Total Liabilities	$ 126,434	-
NET POSITION		
Reserved for scholarships		$ 346,690

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Private Purpose Trusts
ADDITIONS	
Gifts and contributions	$ 122,736
Investment earnings	5,474
Total Additions	128,210
DEDUCTIONS	
Scholarships and awards	12,051
Change in Net Position	116,159
Net Position - Beginning of year	230,531
Net Position - End of year	$ 346,690

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Granville Central School District ("the District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standards-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Granville Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of nine members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and its component unit. The District is not a component unit of another reporting entity.

The decision to include a potential component unit in the District's reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of an entity included in the District's reporting entity within its Fiduciary funds:

<u>The Extraclassroom Activity Funds</u>

The extraclassroom activity funds of the District represents funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management and the cash and investment balances are reported in the Trust and Agency Fund of the District. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office, located at 58 Quaker Street, Granville, New York.

B. Joint Venture

The District is a component district of the Washington Saratoga Warren Hamilton Essex Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of 1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, programs, and capital costs. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year ended June 30, 2019, the District was billed $4,241,975 for BOCES administrative and program costs.

The District's share of BOCES Aid amounted to $1,437,647.

Financial statements for the BOCES are available from the BOCES administrative office.

C. Basis of Presentation

District-wide statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column, if any, reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to the particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

Fund financial statements

The District reports the following major funds:

I. Governmental Funds

General Fund

The General Fund is the principal operating fund and is used to account for all financial resources except those required to be accounted for in another fund.

Special Aid Fund

These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund

Used to account for transactions of lunch and breakfast programs.

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities and equipment.

II. Fiduciary Funds

This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee and agent for resources that belong to others. These activities are not included in the District-wide financial statements because their resources do not belong to the District and are not available to be used.

There are two classes of fiduciary funds:

a. Private Purpose Trust Funds

These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

b. Agency Funds

These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholdings.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting/Measurement Focus

General Information

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, pensions, compensated absences, and postemployment benefits which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Refundable Advances

Refundable advances arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for refundable advances is removed and revenue is recognized.

F. Property Taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 13, 2018. Taxes were collected during the period September 1 through October 31, 2018.

II. Enforcement

Uncollected real property taxes are subsequently enforced by Washington County in which the District is located. An amount representing uncollected real property taxes transmitted to the county for enforcement is paid by the county to the District no later than the forthcoming April 1.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

The budget policies are as follows:

a. The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

b. The proposed appropriation budget for the General Fund is approved by the voters within the District.

c. Appropriations are adopted at the program level.

d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not located in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. There were no supplemental appropriations during the current year.

e. Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

f. Budgets are established and used for individual capital project expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

II. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund equity and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at the time, as the liability is incurred or the commitment is paid.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Budgetary Procedures and Budgetary Accounting

III. Budget Basis of Accounting

Under GASB No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The District is not legally required to adopt a budget for its special revenue funds. Therefore, budget comparison information for special revenue funds is not included in the District's financial statements.

I. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. The District investment policies are governed by State statutes. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and School Districts. Investments are stated at fair value. Certificates of deposit, if any, are classified as investments in these financial statements.

J. Accounts Receivable

Accounts receivable are shown gross with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventories

Inventories of food and supplies in the school lunch fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

A portion of the fund equity in the amount of these non-liquid assets has been identified as not available for other subsequent expenditures.

L. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Interfund Transactions

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 2.A.II for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

M. Equity Classifications

District-wide Statements

In the District-wide statements there are three classes of net position:

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) increased by unspent proceeds and reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted - reports net position when constraints placed on the assets or deferred outflows are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted - reports the balance of net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund Statements

In the fund basis statements there are five classifications of fund equity:

Non-spendable – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be the maintained intact. Non-spendable fund equity includes the inventory recorded in the School Lunch Fund of $19,638.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of all other governments; or imposed by law through constitutional provisions or enabling legislation. The District has established the following restricted fund equity:

Employee Benefits Accrued Liabilities Reserve
According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

Capital Reserve
According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law.

Retirement Contributions
According to General Municipal Law Section 6-r, a reserve must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

Unemployment Insurance Reserve
According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Restricted fund equity includes the following:

General Fund:	
Employee Benefits Accrued Liabilities	$ 77,977
Capital	3,541,006
Retirement Contributions - ERS	200,000
Retirement Contributions - TRS	125,000
Unemployment Insurance	76,379
Total Restricted Fund Equity – General Fund	4,020,362
Capital Projects Fund:	
Capital Projects	43,908
Total Restricted Fund Equity	$ 4,064,270

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, i.e., the Board of Education. The District has no committed fund equity as of June 30, 2019.

Assigned – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund equity also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Equity in the General Fund. Encumbrances reported in the General Fund amounted to $7,996. Appropriated fund equity in the General Fund is $300,000.

Encumbrances
Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund equity in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Purpose of Encumbrances

General Fund	
General Support	$ 4,805
Instruction	3,191
	$ 7,996

Unassigned – Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In funds other than the General Fund, the unassigned classification is used to report a deficit fund equity resulting from overspending for specific purposes for which amounts had been restricted or assigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund equity of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. The District exceeded this limit by $4,869,873 at June 30, 2019.

Order of Use of Fund Equity:

The District's policy is to apply expenditures against nonspendable fund equity, restricted fund equity, committed fund equity, assigned fund equity and unassigned fund equity at the end of the fiscal year. For all funds, nonspendable fund equity are determined first and then restricted fund equity for specific purposes are determined. Any remaining fund equity amounts for funds other than the General Fund are classified as restricted fund equity. In the General Fund, committed fund equity is determined next, then assigned. The remaining amounts are reported as unassigned. Assignments of fund equity cannot cause a negative unassigned fund equity.

N. Postemployment Benefits

In addition to providing the retirement benefits described in Note 2.B.I, the District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. Currently 181 retirees meet those eligibility requirements. The District offers active and retired employees the option of joining several non-self-insured health insurance plans. The District pays a variable percentage of the cost of premiums to the insurance company provider. See Note 5.

O. Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2003. For assets acquired prior to July 1, 2003, estimated historical costs based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar amount above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life In Years
Buildings and improvements	$ 1,000	SL	50
Site improvements	$ 1,000	SL	20
Furniture and equipment	$ 1,000	SL	5-10
Infrastructure	$ 1,000	SL	20

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The District has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the Statement of Net Position. A deferred charge on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems and OPEB subsequent to the measurement date. The fourth item relates to the pension systems and OPEB reporting in the district wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the District–wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability and difference during the measurement periods between the District's contributions and it proportionate share of total contributions to the pension systems not included in pension expense. The second item, if applicable, is related to the OPEB report in the district-wide Statement of Net Position. This represents changes in assumptions.

Q. Short-term Debt

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. See Note 2.B.II for detail of BANs issued by the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Q. Short-term Debt

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued. The District did not issue or redeem any deficiency notes during the current year.

R. Accrued Liabilities and Long-term Obligations

Payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Other postemployment benefits payable, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due and payable after one year in the Statement of Net Position.

S. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

a. Total Fund Equity of Governmental Funds vs. Net Position of Governmental Activities:

Total fund equity of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions.

b. Statement of Revenues, Expenditures and Changes in Fund Equity vs. Statement of Activities:

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Equity and the Statement of Activities fall into one of five broad categories. The differences represent:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

S. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and an asset on the Statement of Net Position and depreciation expense on those items as recorded in the Statement of Activities.

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Pension Differences

Pension differences occur as a result of changes in the District’s proportion of the collective net pension asset/liability and differences between the District’s contributions and its proportionate share of the total contributions to the pension systems.

OPEB Differences

OPEB differences occur as a result of changes in the District’s total OPEB liability and differences between the District’s contributions and OPEB expense.

T. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, postemployment benefits, net pension asset/liability, deferred inflows/outflows, potential contingent liabilities, and useful lives of long-term assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

U. Vested Employee Benefits

District employees are granted vacation in varying amounts, based principally on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Sick leave use is based on first-in, first-out (FIFO) basis.

Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the applicable contract rates in effect at year-end.

In the fund statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

V. Implementation of New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2019, the District implemented the following new standards issued by GASB:

GASB has issued Statement 83, *Certain Asset Retirement Obligations*, effective for the year ending June 30, 2019.

GASB has issued Statement 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*, effective for the year ending June 30, 2019.

W. Future Changes in Accounting Standards

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

GASB issued Statement 84, *Fiduciary Activities*, effective for the year ending June 30, 2020.

GASB has issued Statement 87, *Leases,* effective for the year ending June 30, 2021.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the year ending June 30, 2021.

GASB has issued Statement 90, *Accounting and Financial Reporting for Majority Equity Interest,* effective for the year ending June 30, 2020.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

W. Future Changes in Accounting Standards

GASB has issued Statement 91, *Conduit Debt Obligations,* effective for the year ending June 30, 2022.

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2019, all deposits were fully insured and collateralized by the District's agent in the District's name.

Investment and Deposit Policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies
- Obligations issued or fully insured or guaranteed by New York State and its localities
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization

Investments

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in active markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Investments

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The District participates in CLASS, a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2019, the District held $4,232,223 in investments consisting of various investments in securities issued by the United States and its agencies. The following valuation inputs are included as investments:

Total investments of the cooperative as of year-end are $2,478,134,570, which consisted of $234,679,344 in collateralized bank deposits, $337,026,301 in repurchase agreements and $1,906,428,925 in U.S. Government Treasury Securities.

	Valuation Inputs			
Investments in Securities at Value	**Level 1**	**Level 2**	**Level 3**	**Total**
General Fund	$ -	$ 2,039,626	$ -	$ 2,039,626
Benefits Reserve Fund	-	77,506	-	77,506
Unemployment Reserve Fund	-	75,466	-	75,466
Capital Reserve Fund	-	2,039,625	-	2,039,625
Total	$ -	$ 4,232,223	$ -	$ 4,232,223

The above amounts represent the fair value of the investment pool shares. For the year ended June 30, 2019, the portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) which were used in determining fair value is not applicable.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period. The portfolio recognizes transfers between the levels as of the beginning of the fiscal year.

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Risks and Uncertainties with Investments

The District invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes could materially affect the amounts reported in the statement of net position.

Restricted Cash and Investments

Restricted cash and investments at June 30, 2019 in the General Fund consists of $4,020,362 of which, $3,541,006 is reserved for capital projects, $77,977 reserved for employee benefits accrued liabilities, $76,379 reserved for unemployment insurance, and $325,000 restricted for retirement contributions.

Restricted cash at June 30, 2019 in the Capital Projects Fund includes $43,908 restricted for the repayment of debt in the Capital Projects Fund.

Restricted cash at June 30, 2019 in the Fiduciary Funds includes $57,350 restricted for Extraclassroom Activity Funds, and $346,629 restricted for scholarships.

II. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund balances at June 30, 2019 are as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 1,325,809	$ 531,958	$ -	$ 139,304
Special Aid Fund	216,456	915,910	28,504	-
School Lunch Fund	5,042	113,768	-	-
Capital Fund	115	-	110,800	-
Total Government Activities	1,547,422	1,561,636	139,304	139,304
Fiduciary Fund	14,300	86	-	-
Total	$ 1,561,722	$ 1,561,722	$ 139,304	$ 139,304

2. DETAIL NOTES ON ALL FUNDS

A. Assets

III. Accounts Receivable

Accounts receivable at June 30, 2019 consisted of the following, which are stated at net realizable value. District management has deemed the amounts to be fully collectible.

Fund	Description	Amount
General Fund	Use of facilities and tuition	$ 411,986
School Lunch Fund	Outstanding school lunch bills	$ 6,937
Capital Projects Fund	Capital Projects	$ 58

IV. Capital Assets

Capital asset balances for the year ended June 30, are as follows:

	Balance July 1	Additions	Retirements/ Reclassifications	Balance June 30
Governmental Activities				
Capital assets that are not depreciated:				
Land	$ 154,491	$ -	$ -	$ 154,491
Total nondepreciable historical cost	154,491	-	-	154,491
Capital assets that are depreciated:				
Buildings and improvements	58,162,462	56,484	-	58,218,946
Improvements	1,342,582	35,064	-	1,377,646
Furniture, equipment, and vehicles	5,408,241	616,753	278,273	5,746,721
Total depreciable historical cost	64,913,285	708,301	278,273	65,343,313
Less accumulated depreciation:				
Buildings and improvements	17,619,314	1,077,083	-	18,696,397
Improvements	1,013,700	43,868	-	1,057,568
Furniture, equipment, and vehicles	3,444,540	393,865	224,606	3,613,799
Total accumulated depreciation	22,077,554	1,514,816	224,606	23,367,764
Total Capital Assets, Net	$ 42,990,222	$ (806,515)	$ 53,667	$ 42,130,040

Depreciation expense for the year ended June 30, 2019, was allocated to specific functions as follows:

Operating and maintenance	$1,077,083
Regular instruction	160,959
Pupil transportation	276,774
Total	$1,514,816

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

General Information

The District participates in the New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). Collectively, TRS and ERS are referred to herein as the "Systems". These are cost-sharing multiple employer, public employee retirement systems. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Descriptions

Teachers' Retirement System

The TRS is administered by the New York State Teachers' Retirement Board. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The system is governed by a 10 member Board of Trustees. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in the New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Employees' Retirement System

The New York State and Local Employees' Retirement System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (The Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report and additional information may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001 or found at www.osc.state.ny.us/retire/publications/index.php.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976 who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS.

The District is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	ERS	TRS
2018-19	$ 298,886	$ 797,764
2017-18	242,787	751,100
2016-17	243,514	888,900

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year.

Pension Liabilities

At June 30, 2019, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2019 for ERS and June 30, 2018 for TRS. The total net pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Actuarial valuation date	April 1, 2018	June 30, 2017
Net pension asset/(liability)	$(430,664)	$903,689
District's portion of the Plan's total net pension asset/(liability)	.0060783%	.0499760%

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Pension Expense

For the year ended June 30, 2019, the District recognized its proportionate share of pension expense of $282,070 for ERS and $700,463 for TRS.

Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	**TRS**	**ERS**	**TRS**
Differences between expected and actual experiences	$ 84,806	$ 675,319	$ 28,910	$ 122,327
Changes of assumptions	108,251	3,158,985	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	110,532	1,003,163
Changes in proportion and differences between contributions and proportionate share of contributions	51,007	105,346	11,300	3,152
Contributions subsequent to the measurement date	121,457	908,296	-	-
Total	$ 365,521	$ 4,847,946	$ 150,742	$ 1,128,642

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended March 31, 2020 for ERS and June 30, 2019 for TRS. Other amounts reported as deferred outflows of resources, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	**TRS**
Year ended:		
2019	$ -	$ 923,886
2020	97,146	633,053
2021	(71,107)	82,925
2022	3,220	630,923
2023	64,063	435,015
Thereafter	-	105,206

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset/(liability) to the measurement date. The actuarial valuation used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31, 2019	June 30, 2018
Actuarial valuation date	April 1, 2018	June 30, 2017
Interest Rate	7.0%	7.25%
Salary Scale	4.2%	1.9% - 4.72%
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience	July 1, 2009 - June 30, 2014 System's Experience
Inflation rate	2.5%	2.25%
Projected Cost of Living Adjustments	1.3% annually	1.5% annually

For ERS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014. For TRS, annuitant mortality rates are based on July 1, 2009 - June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

For ERS, the actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations.* ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

ERS	Target Allocation 2019	Long-term expected real rate of return* 2019
Asset Class:		
Domestic equities	36 %	4.55 %
International equities	14	6.35
Private equity	10	7.50
Real estate	10	5.55
Absolute return strategies (1)	2	3.75
Opportunistic portfolio	3	5.68
Real assets	3	5.29
Bonds and mortgages	17	1.31
Cash	1	(0.25)
Inflation-Indexed bonds	4	1.25
Total	100 %	

* Real rates of return are net of the long-term inflation assumption of 2.5% for 2019.
(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity, respectively.

TRS	Target Allocation 2018	Long-term expected real rate of return* 2018
Asset Class:		
Domestic equities	33 %	5.8 %
International equities	16	7.3
Global equities	4	6.7
Real estate	11	4.9
Private equities	8	8.9
Domestic fixed income securities	16	1.3
Global fixed income securities	2	0.9
Private debt	1	6.8
Real estate debt	7	2.8
High-yield fixed income securities	1	3.5
Short-term	1	0.3
Total	100 %	

* Real rates of return are net of the long-term inflation assumption of 2.3% for 2018.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 7.0% for ERS and 7.25% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2019 calculated using the discount rate of 7% for ERS and 7.25% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (6% for ERS and 6.25% for TRS) or 1-percentage-point higher (8% for ERS and 8.25% for TRS) than the current rate:

ERS	**1% Decrease (6.0%)**	**Current Assumption (7.0%)**	**1% Increase (8.0%)**
Employer's proportionate share of the net pension asset/(liability)	$ (1,882,931)	$ (430,664)	$ 789,343

TRS	**1% Decrease (6.25%)**	**Current Assumption (7.25%)**	**1% Increase (8.25%)**
Employer's proportionate share of the net pension asset/(liability)	$ (6,208,489)	$ 903,689	$ 6,861,718

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings of pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2019 is $298,886 for ERS and $719,418 for TRS.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2019 represent the projected employer contribution for the period of April 1, 2019 through June 30, 2019 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2019 amounted to $121,457.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2019 are paid to the System in September, October and November 2019 through a state aid intercept. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2019 amounted to $908,296.

Other Benefits

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

II. Indebtedness

Short-Term Debt

Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date.

Interest on short-term debt for the year was composed of:

Interest paid	$ 21,600
Plus interest accrued in the current year	370
Total expense	$ 21,970

Changes in Short-Term Debt

	Maturity	Interest Rate	Balance July 1	Issued	Redeemed	Balance June 30
BAN	6/20/19	3.00%	$ 720,000	$ -	$ 720,000	$ -
BAN	6/19/20	3.00%	-	450,000	-	450,000
			$ 720,000	$ 450,000	$ 720,000	$ 450,000

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Long-Term Debt

Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the District. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Interest on long-term debt was comprised of:

Interest paid	$ 260,051
Less interest accrued in the prior year	(95,746)
Plus interest accrued in the current year	87,030
Plus amortization of deferred costs	114,111
Less amortization of bond premium	(128,345)
Total expense	$ 237,101

Changes

The changes in indebtedness during the year ended June 30, 2019 are summarized as follows:

	Balance July 1	Additions	Deletions	Balance June 30
Serial Bonds	$ 8,720,000	$ -	$ 1,355,000	$ 7,365,000
Plus - Bond Premium	410,756	-	123,489	287,267
Less - Unamortized Losses on Refunding*	(379,560)	-	(114,111)	(265,449)
Total Bonds	8,751,196	-	1,364,378	7,386,818
Other Postemployment Benefits (See Note 5)	36,310,625	21,685,179	8,030,382	49,965,422
Compensated Absences	886,265	2,777	-	889,042
Total	$ 45,948,086	$21,687,956	$ 9,394,760	$ 58,241,282

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

The above balances are liquidated by the general fund.

* This item is recorded as a deferred outflow on the statement of net position.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Maturity

The following is a summary of maturity of indebtedness:

Description of Issue	Original Issue Date	Final Maturity	Interest Rate	Outstanding June 30, 2019
Serial Bonds				
Serial Bond 2005	07/15/05	06/15/21	4.2%	$ 70,000
Refunding Serial Bond 2016	02/15/16	02/15/25	2.0%	7,295,000
Total Serial Bonds				$ 7,365,000

The following is a summary of maturing debt service requirements for general obligation bonds and notes:

Year	Principal	Interest	Premium	Total
2020	$ 1,290,000	$ 232,990	$ 102,245	$ 1,625,235
2021	1,325,000	193,870	80,408	1,599,278
2022	1,315,000	166,600	58,147	1,539,747
2023	1,355,000	118,800	35,210	1,509,010
2024	1,415,000	52,850	11,257	1,479,107
Thereafter	665,000	13,300	-	678,300
Total	$ 7,365,000	$ 778,410	$ 287,267	$ 8,430,677

The District has authorized to issue $9,922,000 of which $9,472,000 remains unissued and $450,000 was issued as a BAN.

On February 3, 2016 the District defeased serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2019, $8,585,000 of the 2016 bonds outstanding are considered defeased.

III. Constitutional Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit does not exceed 10% of the full valuation of taxable real estate within the District. At June 30, 2019, the District has exhausted 18.16% of its constitutional debt limit.

3. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. Unassigned Fund Balance

The District's unassigned fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year, by $4,869,873.

B. Deficit Fund Balance

There was a deficit fund balance in the capital projects fund of $405,919. This deficit is caused by financing the project with bond anticipation notes. When the bond anticipation notes are refinanced with bonds, this deficit will be removed.

4. COMMITMENTS AND CONTINGENCIES

A. Litigation

There are tax certiorari actions pending against the District for reductions in the assessed value of properties. A review by management and the School District's attorney indicate these actions are not substantial enough to materially affect the financial position of the District.

B. Risk Financing and Related Insurance

General Information

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Consortium of Self Insured Plans

The District participates in the Southern Adirondack Public Schools Workers' Compensation plan administered by the Board of Director which is composed of the chief executive office or other designated officer of the districts participating in Washington-Saratoga-Warren-Hamilton-Essex BOCES. Participant of the plan are required to make their current year contributions on July 15 and October 15 of each plan year. The plan year is July 1 through June 30. The Board may retain surplus to establish and maintain a claim contingency fund. If sufficient funds are not available the Board will determine the amount to be assessed to the participants. For the year ended June 30, 2019, $105,418 was paid to the plan for workers' compensation premiums.

C. Other Items

The District has received grants which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the District's administration believes disallowances, if any, will be immaterial.

5. POST EMPLOYMENT BENEFITS OBLIGATION PAYABLE

Plan Description

The District administers a defined benefit OPEB plan and, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit plan (the Plan). The Plan provides Article 11 of the State Compiled Statues which grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in trust that meet the criteria in paragraph 4 of Statement No. 75.

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 5 to 10 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2019, approximately $1,186,000 was paid on behalf of 181 retirees.

Benefits Provided

The District provides for continuation of medical and/or Medicare Part B benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under. Retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the District offices and are available upon request.

5. POST EMPLOYMENT BENEFITS OBLIGATION PAYABLE

Employees Covered by Benefit Terms – At June 30, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	181
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	220
Total plan members	401

Net OPEB Liability

The District's total OPEB liability was measured as of July 1, 2018; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60% (Based on CPI-2016 OASDI Trustee Report)
Salary increases	3.00% (including inflation)
Discount rate	3.87% (Bond Buyer GO-20 Municipal Bond Index rate)
Healthcare cost trend rates	
Pre-Medicare	8.0% for 2018 decreasing 0.5% per year to an ultimate rate of 5.0% by 2025.
Medicare	N/A

Mortality rates were based on RP-2017 mortality table with mortality projected to the current year using Scale MP-2017 to account for mortality improvement.

Retirement participation rate assumed that 100% of all newly-retiring employees with health insurance elect to keep their health insurance when they retire and when they turn 65.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

5. POST EMPLOYMENT BENEFITS OBLIGATION PAYABLE

Changes in the Net OPEB Liability

Changes in the District's net OPEB liability were as follows:

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] – [b]
Balances at June 30, 2018	$ 36,310,625	$ -	$ 36,310,625
Changes for the year:			
Service cost	1,780,522	-	1,780,522
Interest	1,326,333	-	1,326,333
Changes in benefit terms	(7,246,219)	-	(7,246,219)
Difference between expected and actual experience	18,578,324	-	18,578,324
Contributions – employer	-	-	-
Net investment income	-	-	-
Changes of assumptions or other inputs (change in discount rate)	(67,640)	-	(67,640)
Benefit payments	(716,523)	-	(716,523)
Administrative expense	-	-	-
Net changes	13,654,797	-	13,654,797
Balances, June 30, 2019	$ 49,965,422	$ -	$ 49,965,422

Changes of benefit terms reflect changes in assumptions and other inputs including a change in the discount rate from 3.60% in 2018 to 3.87% in 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the District's total OPEB liability, as well as what the District's total OPEB liability would be if it were calculated using discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current discount rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability	$ 55,305,528	$49,965,422	$44,310,626

5. POST EMPLOYMENT BENEFITS OBLIGATION PAYABLE

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the District's total OPEB liability, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 4.0%) or 1 percentage point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rate:

	1% Decrease (7.0% Decreasing to 4.0%)	Healthcare Cost Trend Rate (8.0% Decreasing to 5.0%)	1% Increase (9.0% Decreasing to 6.0%)
Total OPEB Liability	$ 44,345,995	$49,965,422	$55,189,093

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the District recognized OPEB expense of $2,442,790. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 15,924,278	$ -
Changes of assumptions	-	(2,334,029)
Contributions subsequent to the measurement period	738,019	-
Total	$ 16,662,297	$ (2,334,029)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2020	$ 2,623,718
2021	1,885,699
2022	1,885,699
2023	2,644,383
2024-25	5,288,769

6. TAX ABATEMENTS

The County of Washington enters into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. No abatements were entered during the year ended June 30, 2019.

7. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 15, 2019, which is the date these financial statements were issued. All subsequent events requiring recognition as of June 30, 2019, have been incorporated into these financial statements.

GRANVILLE CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Final Budget Variance With Actual
Revenues				
Local Sources				
Real Property Taxes	$ 7,076,119	$ 5,976,516	$ 5,975,966	$ (550)
Real Property Tax Items	17,000	1,116,603	1,118,175	1,572
Charges for Services	809,625	809,625	1,081,874	272,249
Use of Money and Property	42,565	42,565	121,099	78,534
Sale of Property and Compensation for Loss	1,500	1,500	5,123	3,623
Miscellaneous	77,716	77,716	434,752	357,036
State Sources	17,320,306	17,320,306	17,322,960	2,654
Federal Sources	265,000	265,000	537,376	272,376
Other Sources				
Interfund Transfers	150,000	150,000	-	(150,000)
Total Revenue and Other Sources	25,759,831	25,759,831	$ 26,597,325	$ 837,494
Prior Year's Encumbrances	10,773	10,773		
Appropriated Fund Equity	150,000	150,000		
Total Revenues, Other Sources and Appropriated Fund Equity	$ 25,920,604	$ 25,920,604		

GRANVILLE CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance With Actual and Encumbrances
Expenditures					
General Support					
Board of Education	$ 23,680	$ 24,446	$ 23,556	$ -	$ 890
Central Administration	191,029	192,558	191,539	-	1,019
Finance	292,277	304,310	299,009	-	5,301
Staff	149,328	149,830	131,681	-	18,149
Central Services	1,725,891	1,935,416	1,844,647	4,805	85,964
Special Items	222,483	220,468	210,637	-	9,831
Instruction					
Instruction, Administration and Improvement	660,242	663,900	624,129	-	39,771
Teaching - Regular School	5,832,899	5,858,374	5,569,401	1,406	287,567
Programs for Students with Disabilities	4,230,313	3,981,722	3,956,986	1	24,735
Occupational Education	545,305	545,305	521,823	-	23,482
Teaching - Special Schools	92,560	27,560	64	-	27,496
Instructional Media	1,124,970	1,186,970	1,111,471	1,760	73,739
Pupil Services	1,300,608	1,354,477	1,207,524	24	146,929
Pupil Transportation	1,272,735	1,429,624	1,383,594	-	46,030
Employee Benefits	6,265,433	6,004,793	5,784,235	-	220,558
Debt Service					
Debt Service Principal	1,355,000	1,625,000	1,625,000	-	-
Debt Service Interest	270,851	270,851	260,051	-	10,800
Total Expenditures	25,555,604	25,775,604	24,745,347	7,996	1,022,261
Other Uses					
Interfund Transfer	365,000	145,000	139,304	-	5,696
Total Other Uses	365,000	145,000	139,304	-	5,696
Total Expenditures and Other Uses	$ 25,920,604	$ 25,920,604	$ 24,884,651	$ 7,996	$ 1,027,957
Net Change in Fund Equity			$ 1,712,674		
Fund equity - beginning			8,552,857		
Fund equity - ending			$ 10,265,531		

GRANVILLE CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019

	Fiscal Year Ending * 2019	2018
Total OPEB Liability		
Measurement date	7/1/2018	7/1/2017
Service cost	$ 1,780,522	$ 1,780,522
Interest	1,326,333	1,102,255
Changes in benefit terms	(7,246,219)	-
Difference between expected and actual experience in the measurement of the total OPEB liability	18,578,324	-
Changes in assumptions and other inputs	(67,640)	(3,793,419)
Benefit payments	(716,523)	(1,128,141)
Net Change in Total OPEB Liability	13,654,797	(2,038,783)
Total OPEB Liability - beginning	36,310,625	38,349,408
Total OPEB Liability - ending	$ 49,965,422	$ 36,310,625
Covered-employee payroll	$ 10,366,136	$ 9,314,303
Total OPEB Liability as a percentage of covered-employee payroll	482.01%	389.84%

* Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally the amounts presented for each fiscal year were determined as of the measurement date.

GRANVILLE CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2019

ERS Pension Plan
Last 10 Fiscal Years

	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.0060783%	0.0058876%	0.0059176%	0.0061898%	0.0065541%
Proportionate share of the net pension liability (asset)	$ 430,664	$ 190,021	$ 556,029	$ 993,483	$ 221,412
Covered-employee payroll	$ 1,820,212	$ 1,786,010	$ 1,690,207	$ 1,804,100	$ 1,804,100
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	23.66%	10.64%	32.90%	55.07%	12.27%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.20%	94.70%	90.70%	97.90%

TRS Pension Plan
Last 10 Fiscal Years

	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.0499760%	0.050480%	0.0515940%	0.0515150%	0.0520660%
Proportionate share of the net pension liability (asset)	$ (903,689)	$ (383,698)	$ 552,597	$ (5,350,772)	$ (5,799,790)
Covered-employee payroll	$ 8,100,574	$ 8,140,448	$ 7,999,416	$ 7,690,900	$ 7,690,900
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-11.16%	-4.71%	6.91%	-69.57%	-75.41%
Plan fiduciary net position as a percentage of the total pension asset (liability)	101.53%	100.66%	99.01%	110.46%	111.48%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally the amounts presented for each fiscal year were determined as of each plans measurement date as disclosed in the footnotes.

GRANVILLE CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2019

ERS Pension Plan
Last 10 Fiscal Years

	2019	2018	2017	2016	2015
Contractually required contribution	$ 257,781	$ 240,203	$ 256,598	$ 249,479	$ 364,800
Contributions in relation to the contractually required contribution	(257,781)	(240,203)	(256,598)	(249,479)	(364,800)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 1,820,212	$ 1,786,010	$ 1,690,207	$ 1,804,100	$ 1,804,100
Contributions as a percentage of covered-employee payroll	14.16%	13.45%	15.18%	13.83%	20.22%

TRS Pension Plan
Last 10 Fiscal Years

	2019	2018	2017	2016	2015
Contractually required contribution	$ 797,764	$ 937,532	$ 1,055,698	$ 1,356,517	$ 1,249,800
Contributions in relation to the contractually required contribution	(797,764)	(937,532)	(1,055,698)	(1,356,517)	(1,249,800)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 8,100,574	$ 8,140,448	$ 7,999,416	$ 7,690,900	$ 7,690,900
Contributions as a percentage of covered-employee payroll	9.85%	11.52%	13.20%	17.64%	16.25%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally the amounts presented for each fiscal year were determined as of each plans measurement date as disclosed in the footnotes.

GRANVILLE CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND SCHEDULE OF SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE YEAR ENDED JUNE 30, 2019

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$	25,909,831
Add: Prior year's encumbrances		10,773
Original Budget		25,920,604
Additions:		
Budget Amendments		-
Final Budget	$	25,920,604

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2019-20[subsequent year's] voter-approved expenditure budget			$	26,682,511
Maximum allowed (4% of 2019-20 [subsequent year's] budget)				1,067,300
General Fund Fund Equity Subject to Section 1318 of Real Property Tax Law*:				
Unrestricted Fund Equity:				
Committed Fund Equity	$	-		
Assigned Fund Equity		307,996		
Unassigned Fund Equity		5,937,173		
Total Unrestricted Fund Equity	$	6,245,169		
Less:				
Appropriated Fund Equity	$	300,000		
Encumbrances included in Committed and Assigned Fund Equity		7,996		
Total Adjustments	$	307,996		
General Fund Fund Equity Subject to Section 1318 of Real Property Tax Law			$	5,937,173
Actual percentage				22.25%

* Per office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions," Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

GRANVILLE CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2019

				Expenditures				Methods of Financing				Fund
PROJECT TITLE	SED Project Number	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Equity June 30, 2019
Capital Paving Project	Various	$ 1,500,000	$ 1,161,612	$ 1,140,012	$ 21,600	$ 1,161,612	$ -	$ 451,784	$ -	$ 285,820	$ 737,604	$ (424,008)
Jr High Locker Project	N/A	100,000	82,090	-	82,090	82,090	-	-	-	100,179	100,179	18,089
Totals		$ 1,600,000	$ 1,243,702	$ 1,140,012	$ 103,690	$ 1,243,702	$ -	$ 451,784	$ -	$ 385,999	$ 837,783	$ (405,919)

GRANVILLE CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2019

Capital Assets, Net			$	42,130,040
Add:				
Deferred loss of bond issuance	$	265,449		
				265,449
Deduct:				
Bond anticipation notes payable		450,000		
Serial bonds payable		7,365,000		
Unamortized bond premium		287,267		
				(8,102,267)
Net Investment in Capital Assets			$	34,293,222

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the President and Members
of the Board of Education
Granville Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Granville Central School District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompany schedule of findings and questioned costs as item 2019-001.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marvin and Company, P.C.
Queensbury, NY
October 15, 2019

MARVIN
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A History of Shaping Futures

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the President and Members
of the Board of Education of
Granville Central School District

Report on Compliance for Each Major Federal Program

We have audited the Granville Central School District (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Granville Central School District's compliance.

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Opinion on Each Major Federal Program

In our opinion, Granville Central School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Granville Central School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

Granville Central School District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Marvin and Company, P.C.

Queensbury, NY
October 15, 2019

GRANVILLE CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Passed Through To Subrecipient	Total Federal Expenditures
U.S. Department of Education				
Passed Through New York State Education Department:				
Special Education Cluster				
Special Education - Grants to States	84.027	0032-19-1020	$ -	$ 327,575
Special Education Preschool Grants	84.173	0033-19-1020	-	11,111
Total Special Education Cluster				338,686
Title I Grants to Local Educational Agencies	84.010	0021-18-2745	-	4,935
Title I Grants to Local Educational Agencies	84.010	0021-19-3505	-	404,255
Improving Teacher Quality State Grants	84.367	0147-18-2745	-	16,445
Improving Teacher Quality State Grants	84.367	0147-19-3505	-	47,169
Title IV Grants to Local Educational Agencies	84.424	0204-19-3505	-	11,685
Title V Grants to Local Educational Agencies	84.298	0006-19-3505	-	5,245
Total U.S. Department of Education				828,420
U.S. Department of Agriculture				
Passed Through New York State Education Department:				
Child Nutrition Cluster				
National School Lunch Program	10.555	Not Applicable	-	312,699
School Breakfast Program	10.553	Not Applicable	-	110,445
Food Distribution	10.555	Not Applicable	-	39,688
Total Child Nutrition Cluster				462,832
Total U.S. Department of Agriculture				462,832
Total Expenditures of Federal Awards				$ 1,291,252

See accompanying notes to Schedule of Expenditures of Federal Awards.

GRANVILLE CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

The information presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This Schedule only presents a selected portion of the operations of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

The federal expenditures are recognized under the Uniform Guidance.

3. SCOPE OF AUDIT

The Granville Central School District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

4. NON-CASH ASSISTANCE

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2019, the District received food commodities totaling $39,688.

5. INDIRECT COST RATE

The Granville Central School District did not elect to use the 10% de minimus cost rate because the major programs (84.027, 84.173, 10.553 and 10.555) are exempt from the provisions of the OMB cost principles.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

GRANVILLE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	____ yes	X no
• Significant deficiency(ies) identified?	____ yes	X none reported
Noncompliance material to financial statements noted?	X yes	____ no

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	____ yes	X no
• Significant deficiency(ies) identified?	____ yes	X none reported
Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ yes	X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027, 84.173	IDEA 611, IDEA 619
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	____ yes	X no

Section II: Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards:

Noncompliance Material to the Financial Statements

2019-001 Compliance with New York State Real Property Tax Law

Criteria: NYS Real Property Tax Law Section 1318 limits the amount of unassigned fund equity a District can have to no more than 4% of the General Fund budget for the ensuing fiscal year.

Condition: The unassigned fund equity of the General Fund exceeds 4% of the 2019-20 General Fund budget.

GRANVILLE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Section II: Financial Statement Findings

Noncompliance Material to the Financial Statements

2019-001 Compliance with New York State Real Property Tax Law

Statement of Condition: The unassigned fund balance of the general fund exceeds 4% of the 2019-20 general fund budget.

Criteria: NYS Real Property Tax Law Section 1318 limits the amount of unassigned fund balance a District can have to no more than 4% of the general fund budget for the ensuing fiscal year.

Cause: The cumulative effect of expenditures being significantly under budget.

Effect: The District was not in compliance with NYS Real Property Tax Law.

Context: As part of audit procedures the compliance with NYS Real Property Tax Law 1318 limits is reviewed.

Recommendation: The District should continue to implement the District plan to address and use the excess in future years.

Views of responsible officials and planned corrective actions: Management has developed a corrective action plan. The unassigned fund balance will be used 1) to reduce future property taxes 2) to fund the Capital Reserve to be used to finance future building projects, 3) to fund one time expenditures and 4) as a financing source instead of borrowing.

Section III: Federal Award Findings and Questioned Costs

Findings and questioned costs related to Federal awards which are required to be reported in accordance with 2 CFR 200.516(a):

None.

GRANVILLE CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Finding 2018-001 Compliance with New York State Real Property Tax Law

Condition

The School District's unrestricted fund balance was greater than the New York State Real Property Tax Law 1318 limit.

Current Status

This is a repeat comment in the current year as finding 2019-001.